

SENATE BILL NO. 160
INTRODUCED BY COBB

A BILL FOR AN ACT ENTITLED: "~~AN ACT REQUIRING AGENCIES~~ THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO DEVELOP STRATEGIC PLANS; REQUIRING THE STRATEGIC PLAN TO CONTAIN PERFORMANCE MEASURES; DESCRIBING CRITERIA FOR PERFORMANCE MEASURES; DESCRIBING REQUIREMENTS FOR DATA COLLECTION AND REPORTING; ALLOWING THE LEGISLATIVE AUDIT DIVISION TO PROVIDE CERTAIN INFORMATION; OUTLINING LEGISLATIVE AND AGENCY USE OF PERFORMANCE MEASURES; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Definitions. As used in [sections 1 through 6], the following definitions apply:

(1) "Agency" ~~has the meaning provided in 2-15-102~~ MEANS A DIVISION OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES PROVIDED FOR IN 2-15-2201.

~~(2)(3)~~ (3) "Outcome measure" means a quantifiable indicator of the public and customer benefits derived from ~~an agency's~~ actions BY THE DEPARTMENT AND ITS AGENCIES.

~~(3)(4)~~ (4) "Output measure" means a quantifiable indicator of the number of goods or services THAT THE DEPARTMENT OR an agency produces.

~~(4)(5)~~ (5) "Performance measures" means monitoring tools included in THE DEPARTMENT'S OR an agency's strategic plan that are intended to help guide government and make it accountable.

~~(5)(6)~~ (6) "Strategic plan" means a planning document, covering up to 5 years, that contains the mission, goals, and objectives that the DEPARTMENT OR AN agency intends to accomplish and the performance measures that will track success in meeting ~~the mission~~ MISSIONS, goals, and objectives.

NEW SECTION. Section 2. Policy -- performance measures. (1) It is the policy of the legislature that ~~agencies~~ THE DEPARTMENT shall adopt comprehensive accountability systems. As part of the accountability

1 systems, ~~agencies~~ THE DEPARTMENT shall develop strategic plans.

2 (2) The performance measures included in a strategic plan must indicate how progress toward THE
 3 DEPARTMENT'S OR an agency's goals and objectives is succeeding. Performance measures are intended to focus
 4 DEPARTMENT OR agency efforts in implementing legislative intent, prioritizing goals and objectives, and allocating
 5 resources. Performance measures must focus on key processes. Each measure must be central to the success
 6 of the process being measured. The performance measures must be designed to provide information that is
 7 meaningful and that is useful to decisionmakers.

8
 9 **NEW SECTION. Section 3. Criteria for measurement system.** (1) Each agency's THE DEPARTMENT'S
 10 system of performance measures must satisfy the following criteria:

11 (a) The system must be result-oriented, focusing on outcome measures and output measures.

12 (b) The system must be selective, concentrating on the most important indicators of performance.

13 (c) The system must be useful, providing information that is of value to THE DEPARTMENT, the agency,
 14 and decisionmakers.

15 (d) The system must be accessible and must provide periodic information concerning results.

16 (e) The system must be reliable, providing accurate and consistent information.

17 (2) Unless otherwise provided by law, performance measures must be developed and revised as part
 18 of the strategic planning process in even-numbered years. The performance measures should not be designed
 19 to report every DEPARTMENT OR agency activity but must measure key processes and activities.

20
 21 **NEW SECTION. Section 4. System requirements -- input from legislative audit division.** All
 22 systems described in [section 3(1)] that support performance measure data collection must have effective
 23 controls that provide reasonable assurance that the information is properly collected and accurately reported.
 24 If directed by the legislative audit committee, the legislative audit division may provide information concerning
 25 the accuracy of data collection and reporting.

26
 27 **NEW SECTION. Section 5. Legislative use of performance measures.** (1) During an interim, each
 28 ~~agency~~ THE DEPARTMENT shall report performance data to the appropriate interim committee as provided for in
 29 Title 5, chapter 5, part 2, and to the office of budget and program planning. Interim committees shall use
 30 performance data in reviewing ~~agency~~ THE DEPARTMENT'S strategic planning documents as they relate to

1 prospective legislation.

2 (2) When reviewing the strategies of DEPARTMENT OR agency management in implementing programs
3 authorized by the legislature, the committees may provide input on:

4 (a) the direct effects of each strategy on ~~the agency's~~ DEPARTMENT AND AGENCY customers;

5 (b) the information that management needs to track progress toward achieving key goals and
6 objectives;

7 (c) the performance measures that best reflect the expenditure of the ~~agency budget~~ DEPARTMENT AND
8 THE AGENCIES' BUDGETS; and

9 (d) whether the performance measures clearly relate to the ~~agency's mission~~ DEPARTMENT'S AND THE
10 AGENCIES' MISSIONS, goals, objectives, and strategic plan.

11

12 **NEW SECTION. Section 6. Agency DEPARTMENT AND AGENCY use of performance measures.**

13 ~~Agency~~ DEPARTMENT AND AGENCY managers shall use performance measures as an integral part of their strategic
14 and operational management for THE DEPARTMENT OR an agency. Performance measures must be derived from
15 the DEPARTMENT'S OR AN agency's mission, goals, objectives, and strategies with an emphasis on serving the
16 DEPARTMENT'S OR AN agency's customers. In the review in even-numbered years, the DEPARTMENT AND ITS
17 agencies shall assess and propose changes needed to make certain that existing performance measures relate
18 logically to other elements of the strategic plan and provide a focus on serving customers.

19

20 **NEW SECTION. Section 7. Codification instruction.** [Sections 1 through 6] are intended to be
21 codified as an integral part of Title 47 2, chapter 4 15, PART 22, and the provisions of Title 47 2, chapter 4 15,
22 PART 22, apply to [sections 1 through 6].

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24 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 2003.

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